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FEDERAL COMMUNICATIONS COMMISSION OFFICE OF JECRETARY

LONDON BRUSSELS BERLIN

WILMER, CUTLER & PICKERING

2445 M STREET, N.W. WASHINGTON, D.C. 20037-1420

> TELEPHONE (202) 663-6000 FACSIMILE (202) 663-6363

January 26, 1995

YIA MESSENGER

Mr. William F. Caton
Acting Secretary
Federal Communications Commission
1919 M Street, N.W.
Room 222, Stop Code 1170
Washington, D.C. 20554

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Re: ET Docket No. 94-32
Ex Parte Presentation

Dear Mr. Caton:

In accordance with the Commission's rules, this is to serve notice that representatives of International Business Machines Corporation ("IBM") met on January 25, 1995, with Chairman Hundt and Ruth Milkman, with Chairman Ness and David Siddall, and with Rudolfo Baca to discuss matters raised by the comments filed in the above-referenced proceeding.

IBM was represented by Len Felton, Paul Ellinghaus, and Randall Bowling of IBM, as well as William Richardson of Wilmer, Cutler & Pickering. The materials provided at this meeting are attached hereto.

Sincerely,

Lynn R. Charytan

cc: Ruth Milkman
David Siddall
Rudolfo Baca

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IBM Meetings with FCC

EPAL OGMANICATIONS COMMISSION
OFFICE OF SECRETARY

Reallocation of 2402-2417 GHz NPRM Docket 94-32

J. Len Felton Randall A. Bowling

January 25/26, 1995

Wireless LAN Business

Sales:

- * 21 M\$ in 1991 growing to 2 B\$ in 1998
- * Exports Growing to 60% of sales
- * 500,000 units installed today, 7 Million by 1998 (US)
- * US Companies poised to reap lion's share
- * Market is set to take off
 - Standard Operating Systems Supported
 - Range/Thruput/Reliability Improvements
 - Rapidly declining costs

Investment:

- * R&D investment approaching 500 M\$
- * Industry looking for payback on investments
- * Next generation products on drawing board

Jobs:

- * Estimate 3000 jobs industry wide in 1995 (Mfg/Dev)
- * Up to 3X jobs in support of wireless
- * Potential jobs impact approaches 10,000 in 1995

Wireless LAN Markets

Industries:

- * Health
- * Education
- * Finance

- * Retail
- * Manufacturing
- * General Office

Markets:

- * LAN Extension
- * Difficult to Wire:
 - Historical
 - Costly
 - Asbestos
- * Productivity/Flexibility
- * Emergency/Disaster Recovery

Benefits:

- * New reaches of connectivity
- * Flexible management of LAN structure
- * Productivity gain through timely information access
- * Lower cost alternative to traditional LAN installation
- * Potential portion of K-12 NII Access Solution

IBM Wireless LAN Overview

Strategy:

- * Lead Wireless LAN Data Market
 - Enter Market with Broad Offering
 - Build RF Skills
 - Improve IBM Content with Technology Investments
 - Lead Price/Function Curve to Sustain Market Leadership
 - Diversify to Provide Adapters for DECT......

Investments:

- * IBM Wireless LAN Advanced
- * IBM Wireless LAN Entry
- * AS/400 Wireless LAN
- * Portable Devices for data collection (OEM)

Anticipate Return on Investments

Additional Planned Research and Development

- * Radio Skills
- * Roaming

* VLSI

* Cost/Price Improvements

* Range

* Operating Systems

* Speed

IBM Position on NPRM Docket 94-32

The FCC should protect the investments made in good faith by the participants in FCC Part 15 markets by releasing the 2402-2417 Ghz spectrum to incumbent uses only.